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SUPPLY CHAIN INITIATIVE READY FOR IMPLEMENTATION

I am happy to announce that the Laboratory's major initiative to streamline the supply chain and establish a new desktop buying solution is now ready for implementation, beginning with the new office supplies subcontract with Pacific Supply and Safety/Corporate Express (PSS/CE) on July 10, 2006. After a year of development under the direction of the Supply Chain Council – the initiative's project development team – a new eCommerce electronic ordering system, called eBuy, has been designed, built and pilot tested to meet the Laboratory's low value procurement needs. eBuy will allow end users the freedom to directly access supplier websites through a lab portal to shop and make their own buys from supplier catalogs at discount prices, with deliveries occurring within 24 to 48 hours under most circumstances. eBuy is accessible through <http://ebuy.lbl.gov>, [BLIS](#) (under Lifeline Applications), and the Procurement Homepage (<http://procurement.lbl.gov>) using Internet Explorer or Safari. Using eBuy requires only your LDAP, employee ID, and a valid Project ID to charge the expense. No online registration or training is needed! Lab employees are advised to shift their office supply purchases from Office Max to PSS/CE beginning July 10. Purchases from Office Max after July 30 will be available only through Procurement.

The supply chain initiative began more than a year ago with the goal of saving \$30 million over 5 years via the systematic reduction of supply chain costs through optimization of business systems, processes and resources, and commodity price reduction through strategic sourcing to small businesses. A critical step towards achieving this objective is leveraging eCommerce technology and replacing current business-to-business (B2B) subcontracts with strategic commodity subcontracts. To this end, effort has been under way in the Procurement and Property Department of the Office of the Chief Financial Officer to establish a number of these subcontracts with small business vendors and integrate their eCommerce capabilities with the Laboratory's systems using eBuy.

Beginning with office supplies and over the next 2 to 3 years, we anticipate establishing 15 to 20 such subcontracts covering commodities such as computers/IT supplies, industrial supplies, laboratory equipment and supplies, chemicals, electrical/electronic supplies, plumbing, gases, vacuum products, contract labor, and reagents. As progress is made on each contract implementation, announcements will be made on availability and scheduled user training. A steering committee composed of representatives from each division is being formed to ensure that divisional needs are recognized in these contracts.

Success of this initiative hinges on the Laboratory community as a whole to avoid issuing individual purchase orders, which are costly to manage and process, and using our strategic commodity subcontracts through eBuy to leverage volume pricing and minimize institutional procurement and accounting costs. I urge all Laboratory employees take part in making this important initiative a success.